CANUCK LAW

Reporting That You're Not Getting Elsewhere (Do Your Own Research To Verify)

AUGUST 31, 2019 BY RONNIE

Why Trump Left The Trans-Pacific Partnership

(Straight from the source)

Transition 2017

Watch on

(Trump: T.P.P. is “rape” of our country)

CNN

Watch on

(Trump says T.P.P. would have to be much better)

Bloomberg Television

Watch on

(Video from Brookings Creative Lab, omits key details)

Brookings Creative Lab

Watch on

(Government link for TPP, now referred to as CPTPP)

(Canada's Bill C-79, October 2018)

1. Offshoring, Globalization, Free Trade

The other posts on outsourcing/offshoring are available here. It focuses on the hidden costs and trade offs society as a whole has to make. Contrary to what many politicians and figures in the media claim, there are always costs to these kinds of agreement. These include: (a) job losses; (b) wages being driven down; (c) undercutting of local companies; (d) legal action by foreign entities; (e) industries being outsourced; and (f) losses to communities when major employers leave. Don't believe the lies that these agreements are overwhelmingly beneficial to all.

2. Important Links

(1) https://www.parl.ca/LegisInfo/BillDetails.aspx?Language=E&billId=9970461&View=5

(2) https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cptpp-ptpgp/index.aspx?lang=eng

(3) https://www.forbes.com/sites/peterpham/2017/12/29/why-did-donald-trump-kill-this-big-free-trade-deal/#28d62e0b4e62

(4) https://www.brookings.edu/blog/unpacked/2017/03/24/trump-withdrawing-from-the-trans-pacific-partnership/

(5) https://www.nbcnews.com/business/economy/why-trump-killed-tpp-why-it-matters-you-n710781
(6) https://www.businessinsider.com/heres-why-trump-hates-the-trans-pacific-partnership-so-much-2016-11
(7) https://www.reuters.com/article/us-usa-trump-business-idUSKBN1571FD

3. Media Reviews On T.P.P. Withdrawal

President Trump believes otherwise. Throughout his election campaign, ***he referred to the TPP as a "horrible deal", and would withdraw the U.S. from it when elected***. When he became president, getting the U.S. out of the TPP was one Trump's first acts, since he believed that it steals American jobs while benefiting large corporations.

Trump wasn't entirely wrong. Companies from developed countries that signed up to the deal, such as Japan and the United States, ***would have outsourced to developing countries that have low-cost labor and fewer labor laws, such as Vietnam. In which case, unemployment in developed countries could have risen***.

The Forbes article very bluntly points out that Donald Trump viewed TPP not as an opportunity, but as a threat to American jobs and American prosperity. While corporate heads would have gained from the treaty, those gains would not be shared with the U.S. public. The following NBC article, goes on to explain further.

As divisive as that language sounds, whoever got into the White House was likely to ditch the TPP. Hillary Clinton, adopting a progressive issue from Bernie Sanders, also came out against the deal during her run, saying in August, "I will stop any trade deal that kills jobs or holds down wages, including the Trans-Pacific Partnership. I oppose it now, I'll oppose it after the election and I'll oppose it as president."

The idea was that if everyone brought down taxes on exported goods, U.S. companies would pay less for imports — while benefiting from cheaper labor overseas.

"Companies love free trade," said Velshi. "Companies get to share profits with

> shareholders, the government gets the taxes, but workers don't get their fair share."

The article is extremely critical of free trade agreements, such as T.P.P. In short, jobs can and are outsourced to the 3rd world because it is so much cheaper. In turn, workers on the developed world are forced to accept much lower standards of living in order to compete.

Other media reports much the same content. Overall, Donald Trump believes that T.P.P. would be incredibly harmful to America as a whole.

In a Reuters article, Trump laid it out very plainly what he thinks of exploitive trade agreements:

> "A company that wants to fire all of its people in the United States, and build some factory someplace else, and then thinks that that product is going to just flow across the border into the United States – that's not going to happen," he said.

Is this an attack on international trade as a whole? No. It is a rejection of lopsided treaties which one side benefits greatly at the expense of another. It is not a rejection of trade agreements which are ***MUTUALLY*** beneficial.

4. "National Treatment" Clause Returns

The so-called "national treatment" provisions were a very harmful part of NAFTA, which was signed in 1995. It allowed governments and companies to sue other governments if their business plans or environmental laws were considered unprofitable. From Chapter 11 of NAFTA.

> Article 1102: National Treatment
> 1. Each Party shall accord to **investors of another Party treatment no less favorable than that it accords, in like circumstances, to its own investors** with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments.
> 2. Each Party shall accord to investments of investors of another Party treatment ***no less favorable than that it accords, in like circumstances, to investments of its own***

investors with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments.
3. The treatment accorded by a Party under paragraphs 1 and 2 means, with respect to a state or province, treatment no less favorable than the most favorable treatment accorded, in like circumstances, by that state or province to investors, and to investments of investors, of the Party of which it forms a part.
4. For greater certainty, no Party may:
(a) impose on an investor of another Party a requirement that a minimum level of ***equity in an enterprise in the territory of the Party be held by its nationals,*** other than nominal qualifying shares for directors or incorporators of corporations; or
(b) require an investor of another Party, **by reason of its nationality,** to sell or otherwise dispose of an investment in the territory of the Party.

This clause has caused all sorts of headaches in the name of “free trade”. (See Free Trade #2 for more details). No longer are there countries, but merely “economic zones”.

Now take a look at the Trans-Pacific Partnership.

Article 9.4: National Treatment
1. Each Party shall accord to ***investors of another Party treatment no less favourable than that it accords, in like circumstances, to its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments in its territory***.
2. Each Party shall accord to covered investments treatment ***no less favourable than that it accords, in like circumstances, to investments in its territory of its own investors*** with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments.
3. For greater certainty, the treatment to be accorded by a Party under paragraphs 1 and 2 means, with respect to a regional level of government, treatment no less favourable than the most favourable treatment accorded, in like circumstances, by that regional level of government to investors, and to investments of investors, of the Party of which it forms a part.

Look familiar? It should. It is virtually the identical language that formed the basis of lawsuits (many successful), in Canada. Being a part of this agreement means signing away

a good deal of your sovereignty.

5. Impact Of Previous "Free Trade" Deals

The Economic Policy Institute, a think-tank in Washington, releases reports and findings related to trade and commerce. Here are some of the their more interesting reports.

claims that trade with China has grown the bilateral trade deficit between 2001 and 2017 cost 3.4 million U.S. jobs, with losses in every state and congressional district. Keep in mind this wasn't really free trade, but liberal trade.

This one claimed in 2003 that NAFTA had led to a net loss of 879,000 jobs in the United States, with most of them going to Mexico, where wages are much lower.

This one outlines the growing trade deficit with Canada and Mexico under NAFTA. While some deficit or surplus is to be expected in trade, it should never be one sided.

This one is another report about the mounting job losses as work continues to be outsourced, hurting American families.

This one outlined many harmful effects of free trade policies. One particularly rough one was forcing workers to accept much lower pay in order to keep their jobs. These trade policies bring cheap foreign labour into the equation as new competitors, and have the effect of driving down wages.

There are many other articles on these topics, but the 5 provided here should be enlightening on the dark side of putting profit over societies.

6. Currency Manipulation In "Free Trade"

Donald Trump has repeatedly called out the practice of currency manipulation, particularly with China. By manipulating the currency, nations can sell goods at what amounts to a much lower price.

First, a bit of background. The Chinese currency, called the renminbi, is what's known as a policy currency. That means that ***unlike the U.S. dollar, which rises and falls in value in free market trading,*** the currency's value against the dollar is **set by the People's Bank of China, an arm of the Chinese government.**

While the PBOC has gradually tried to make the value of the renminbi more reflective of market forces, setting trading bands in which the renminbi is allowed to fluctuate every day, ***in the last analysis it is still under government control. Put another way, the value of the renminbi is manipulated by the government and always has been***. It's just that when Beijing was manipulating the value so that the renminbi appreciated against the dollar in the last few years, nobody in Washington complained.

When the Chinese Government manipulates its currency, it does so in order to artificially cheapen the costs of its products, and to gain an advantage over competitors.

In a "free market" world, this sort of thing should never be allowed.

It's not free trade if all the nations involved aren't playing by the same rules. It causes resentment and reduces goodwill.

7. Populism Is Protecting Your People

Leaders should protect the employment prospects of their citizens. The livelihood of the nation depends on there being opportunities for people to work and create lives for themselves. Countries should not be signing one-sided agreements which benefits others exclusively to the detriment of themselves.

So-called economic libertarianism promotes free trade throughout the world. This is sold as economic freedom, but it glosses over the hard truths involved. Outsourcing the employment of your nation is just corporate globalism. There is nothing populist or nationalist about throwing your people out of work en masse.

Perhaps Tucker Carlson lays it out the best. He uses the example of automated truck driving putting millions of drivers out of work.

Donald Trump's pledge to pull the U.S. out of the Trans-Pacific Partnership was the right decision for the American public. He promised to bring jobs back to the country and create opportunities at home, and that was extremely popular.

In fairness, he has dangled the possibility of rejoining at some point, though the terms would have to be much better.

CORPORATE, FREE TRADE, GLOBALISM, US, WORLD